

FISCAL IMPACT STATEMENT ON BILL NO. **H. 4328**

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TO:	The Honorable Ronald P. Townsend, Chairperson, House Education and Public Works Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Tricia Tangney, Allan Kincaid		
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AUTHOR:	Representative Walker	PRIMARY CODE CITE:	59-18-120
SUBJECT:	State Assessment Program		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

See Below

BILL SUMMARY:

House Bill 4328 amends the Education Accountability Act to provide for a study of statewide computer-based testing, statewide adoption of formative assessments, including a formative reading assessment for first and second grades, professional development, embedded field testing, and sample testing for science and social studies assessments. It also provides for professional development and continuing teacher training to ensure reliable use and interpretation of these assessments.

EXPLANATION OF IMPACT:

There is a fiscal impact associated with numerous sections of this Bill. A synopsis of the impact associated with each section is summarized as follows.

Section 1 directs the State Budget and Control Board to issue an RFP for a study of the feasibility and cost of converting the state assessment system to a computer-based format. Based on the study criteria and required elements itemized in the Bill, costs associated with preparation of the RFP and the study itself is estimated at between \$600,000 and \$1,100,000. Costs include RFP preparation (B&C Board staff does not have expertise in this area), consultant fees, analysis of existing resources, determination of compliance with federal law, information technology inventory and needs assessment, feasibility analysis and report preparation.

Section 1 also requires the Education Oversight Committee and the Department of Education to convene an advisory panel to serve in an advisory capacity throughout the study. Although the number of panel members is not specified, the cost for an 18 member panel (including six elected officials) meeting six times would be approximately \$25,000 including travel, per diem, supplies and materials.

Section 59-18-310 (D) directs the State Board of Education to create a statewide adoption list of formative assessments aligned with state content standards for use beginning in the 2007-2008 school year. Based on an estimate of \$9 per student, administering the test to Grades 3-8 would cost \$2,700,000 annually. If the assessment is given in grades K-12, the annual estimate is \$6,030,000. The Department estimates cost of between \$50,000 and \$100,000 in 2006-2007 to create the adoption list.

Section 59-18-310 (E) directs the State Board of Education to adopt a formative reading assessment for Grades 1 and 2 for use beginning in the 2007-2008 school year. Implementation is estimated at approximately \$1,250,000 annually as determined by the Department's testing vendor.

Section 59-18-310 (F) provides for on-going professional development and training in the use of classroom, end-of-year, and formative assessments. Implementation is estimated at \$222,000 annually as determined by the Department's testing vendor.

59-18-320 (B) requires that field test items be embedded in the annual assessments in order to reduce the number of days of testing. If the embedded items are limited to multiple choices, the Department estimates that it could save \$695,000 annually. If the items are embedded according to existing test formats which includes constructed response items and extended response writing, the Department would incur additional costs of \$1,445,000 annually.

Section 59-18-320 (B) also requires the Department to develop a sampling plan to administer science and social studies assessments in the elementary and middle school grades, and to convene a task force to recommend alternative procedures to allow students who have failed the exam to meet graduation requirements. Implementation of the sampling plan would require approximately \$180,000 annually as estimated by the Department's testing vendor. Task force one-time costs are estimated at \$20,000.

Section 59-18-330 directs the Department to modify its readiness assessment to provide detailed information on student literacy development. To maintain the current system of readiness assessment, the Department estimates cost at approximately \$520,000 annually. Development of a new system of readiness assessment for kindergarten only would cost approximately \$2,000,000 annually. Costs may decline after 2006-2007.

Section 59-180-360 (B) directs the Department to annually convene a team of curriculum experts to analyze the results of the assessments, which would require approximately \$1,500 each year.

Recapitulation

The impact on the General Fund of the State is at the General Assembly's discretion. This initiative could be funded with State General Funds, Education Improvement Act funds and/or a combination of these funds. Estimated costs for the Bill through FY 2008-2009 are summarized on the attached schedule.

SPECIAL NOTES:

A \$2 million non-recurring Lottery appropriation is being used in FY 2005-06 to cover the cost of administering formative assessments as described in Section 59-18-310 (D). Enactment would result in a future cost avoidance of \$4.6 million from not developing science and social studies components.

H.4279 contained language that may provide for the delivery of the extended response component of the English/language arts assessment early in the spring of the school year. The cost associated with implementation of this section is \$1.3 million annually.

Approved by:



Don Addy
Assistant Director, Office of State Budget